

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTO 00945 262157Z

62

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 AGR-05 COME-00 L-03 H-02

STR-04 CIAE-00 INR-07 NSAE-00 TRSE-00 OMB-01 SP-02

AID-05 NSC-05 CIEP-01 SS-15 CEA-01 /077 W

----- 024290

P 262110Z FEB 76

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC PRIORITY 6200

INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE SANTO DOMINGO 0945

E.O. 11652: N/A

TAGS: ETRD, EAGR, DR

SUBJECT: COFFEE: DR COFFEE PRICE SITUATION

REF: STATE 034044 (NOTAL)

1. FOLLOWING KEYED TO PARAGRAPH TWO OF REFTEL.

A. INTERNAL RETAIL PRICE OF COFFEE BEFORE JULY 17, 1975
APPROXIMATELY 75 CENTS PER POUND. CURRENT RETAIL PRICE
NEAR 95 CENTS PER POUND.

B. DOLLAR PRICES PAID BY DOMESTIC COFFEE ROASTERS OR
PROCESSORS BEFORE JULY 17, 1975, ABOUT \$46.50 PER 100
POUNDS. ONE WEEK AFTER FREEZE IN BRAZIL PRICE WENT UP TO
\$72.50 PER 100 POUNDS. CURRENT PRICE APPROXIMATES \$87 PER
100 POUNDS.

C. NO NEW SPECIFIC GOVERNMENT PROGRAMS TO RESTRICT DIRECTLY OR
ENCOURAGE EXPORTS. TWO NEW TAX MEASURES ON COFFEE EXPORTS
MODIFYING OLD TAX MEASURE OF AUGUST 1968, ONE IN AUGUST
1975 AND THE OTHER IN JANUARY 1976. PROGRESSIVE
EXPORT TARIFFS BASED ON FOB EXPORT PRICE (CURRENT
FOB PRICE \$91 PER 100 POUNDS) WERE INTRODUCED AS DEVICES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTO 00945 262157Z

TO GENERATE FISCAL FUNDS TO BE PLOWED BACK INTO REHABILITATION

OF COFFEE TREES, INCREASED CREDITS, AND SO ON (SEE E BELOW). IN LONG RUN, USE OF TAX FUNDS WILL PROBABLY INCREASE PRODUCTION AND CONSEQUENTLY EXPORTATION.

DECREE OF JANUARY 1976 SET UP COMMISSION HEADED BY SECRETARY OF AGRICULTURE AND INCLUDING EQUAL NUMBERS OF PRODUCERS AND EXPORTERS TO QUOTE DISTRIBUTE RATIONALLY UNQUOTE THE COFFEE EXPORT QUOTAS ASSIGNED TO THE DR UNDER INTERNATIONAL COFFEE AGREEMENTS.

D. PRICES PAID TO COFFEE PRODUCERS SAME AS B. ONE PRICE FOR DOMESTIC AND EXPORT MARKETS.

E. NEW GOVERNMENT MEASURES SINCE FROST TO ENCOURAGE PRODUCTION USING FUNDS FROM TAX MEASURE MENTIONED IN C INCLUDE RE-EVALUTATION OF SECRETARIAT OF AGRICULTURE REHABILITATION PROGRAM WHICH REPORTS 39,500 ACRES REHABILITATED TO DATE, PLANS FOR AN ADDITIONAL 16,000 ACRES TO BE INCLUDED IN REHABILITATION PROGRAM, A PILOT RENOVATION PROGRAM OF 800 ACRES TO REPLACE OLD TREES, AND A SPECIAL CREDIT TO COFFEE PLANTATIONS REHABILITATED MORE THAN TWO YEARS AGO. THIS CREDIT IS A REVOLVING FINANCIAL ACCOUNT FOR PRUNING AND FERTILIZATION COMPRISING ANOTHER 16,000 ACRES.

HURWITCH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, CUSTOMS DUTIES, EXPORTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SANTO00945
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760073-0039
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760210/aaaaahrz.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 34044
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by ellisoob>; APPROVED <06 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COFFEE: DR COFFEE PRICE SITUATION
TAGS: ETRD, EAGR, EPAP, DR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006